

# American Association of Port Authorities



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# Princess Cruises

- ▶ **Princess Cruises**
  - ▶ **17 Ships**
  - ▶ **1.3+ million passengers**
  - ▶ **400 different ports**
  - ▶ **100 different itineraries**
  - ▶ **Part of the Carnival Group**

# Shore Operations

- ▶ **Shore Operations**

- ▶ **Port Operations**

- ▶ **Shore Excursions**

- ▶ **Passenger Logistics**

- ▶ **Organized into Three Regions**

- ▶ **Alaska – Charlie Ball**

- ▶ **Caribbean & Atlantic – Steve Nielsen**

- ▶ **Europe & Exotics – Bruce Krumrine**

- ▶ **300 ports**

# Presentation Topics

- ▶ **Itinerary Planning Factors**
- ▶ **Becoming a Top Cruise Destination**

# Itinerary Planning Factors



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# Itinerary Planning Factors

## ▶ Factor 1: MARKET DEMAND

- ▶ We take our passengers to where they tell us they want to go
- ▶ On every cruise we ask our passengers –
  - ▶ Rate how important each port was in their purchase decision to buy the cruise
  - ▶ Tell us where you have already cruised to
  - ▶ Tell us where you would like to cruise to next

# Itinerary Planning Factors

## ▶ Factor 2: PRODUCT DELIVERY

- ▶ We take our passengers where they have had the most satisfying experiences
- ▶ On every cruise we ask our passengers –
  - ▶ Rate your cruise itinerary
  - ▶ Rate each port on your cruise
  - ▶ Rate each shore excursion you participated in
- ▶ The better the passenger experience, the more likely we will return



# Sample Port Ratings

**Marquee Port : How did passengers rate their visit to Venice?**

- ▶ Reason for Booking Cruise: 91%
- ▶ Port Rating after visit: 93%

**Non Marquee Port: How did passengers rate their visit to La Rochelle?**

- ▶ Reason for Booking Cruise: 66%
- ▶ Port Rating after visit: 85%



# Itinerary Planning Factors

## ▶ Factor 3: YIELD

- ▶ We deploy our ships where can we achieve the best financial return
- ▶ Yield =
  - ▶ cruise fare + onboard revenue
  - ▶ less
  - ▶ operating costs + overhead costs
- ▶ Critical that ports and service providers remain affordable

# Itinerary Planning Factors

## ▶ Factor 4: GEOGRAPHIC PROXIMITY

- ▶ Port location is critical in relation to other key cruise ports and itineraries
- ▶ Sailing speed another key consideration given the increase in fuel prices
- ▶ Cruising offers both quality and quantity and itineraries with more ports generally sell better

# Itinerary Planning Factors

## ▶ Factor 5: PORT INFRASTRUCTURE

- ▶ Facilities
- ▶ Safety
- ▶ Security
- ▶ Services
- ▶ Tourist Attractions

# Itinerary Planning Factors

## ▶ ITINERARY PLANNING FACTORS SUMMARY

- ▶ Market Demand: Are you a marquee port? How do you create greater positive name recognition?
- ▶ Product Delivery: Do you deliver a great product?
- ▶ Yield: Are you affordable?
- ▶ Geographic Proximity: Do all of the ports in your cruise region meet these factors?
- ▶ Operational Requirements: Do you have the right hardware?

# Becoming a Top Cruise Destination



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# Becoming a Top Cruise Destination

- ▶ **Key Point: Port Authorities can and do play a critical role in the success of not only the port but of the greater cruise destination**

# Becoming a Top Cruise Destination

- ▶ **Leading Ports Have A Shared Vision**
  - ▶ Maximize port synergies
  - ▶ Galvanize shareholder commitment, cooperation and coordination
  - ▶ Shareholders include ports, government authorities, tourism authorities, and service providers



# Becoming a Top Cruise Destination

## ▶ Leading Ports Are Customer-Driven

- ▶ Developing products and services based on the needs and expectations of their customers
- ▶ Port customers include cruise lines, cruise passengers, suppliers, authorities, etc

# Becoming a Top Cruise Destination

## ▶ **Leading Ports Deliver Seamless Experiences**

- ▶ Focused on all aspects of the passenger experience from arrival to departure
- ▶ Ensuring that the tourism infrastructure supports the needs of the one day cruise visitor

# Becoming a Top Cruise Destination

## ▶ **Leading Ports Understand Regional Interdependence**

- ▶ Regional ports are interdependent
- ▶ Work cooperatively to improve the quality of all ports in the region
- ▶ You may only be as strong as your weakest link

# Becoming a Top Cruise Destination

## ▶ **Leading Ports Understand Regional Dependence**

- ▶ Regional ports are dependent on the home and marquee ports in their region
- ▶ Decisions made by the home and marquee ports impact cruise tourism in the region

# Becoming a Top Cruise Destination

## ▶ **Leading Ports Have a Long-Term Plan**

- ▶ Fully appreciate the economic benefits of cruise tourism
- ▶ Investing in their future
- ▶ Develop long-term plans to grow their business while remaining affordable

# Becoming a Top Cruise Destination

- ▶ **Leading Ports Take Full Advantage of What They Already Have**
  - ▶ Identify the essential experiences that speak to your history, culture, and national identity
  - ▶ Develop products and services to showcase them

# Becoming a Top Cruise Destination

- ▶ **Leading Ports Differentiate Themselves From Other Ports in the Region**
  - ▶ Identify and develop passenger experiences that differentiate your port from others in the region
  - ▶ Create an identity that is easy to communicate



# Becoming a Top Cruise Destination

- ▶ **Leading Ports Protect and Preserve the Best of Their Past**
  - ▶ Your history is your future

# Becoming a Top Cruise Destination

- ▶ Leading Ports Summary
  - ▶ Shared vision
  - ▶ Customer-driven
  - ▶ Seamless experiences
  - ▶ Regional interdependence
  - ▶ Regional dependence
  - ▶ Long-term planning
  - ▶ Taking full advantage of your resources
  - ▶ Product differentiation
  - ▶ Preserving your past

# Thank You



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